



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Loveland Area Projects, Colorado River Storage Project, Pacific Northwest-Pacific Southwest Intertie Project, Central Arizona Project, and Parker-Davis Project — Rate Order No. WAPA-163

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Formula Rates for Western Area Power Administration (Western) Transmission Projects to Enter into WestConnect's Point-to-Point Regional Transmission Service Participation Agreement (PA).

SUMMARY: Western is proposing new formula rates to participate in WestConnect's PA. The proposed formula rates under Rate Schedule WC-8 would become effective June 1, 2014, and remain in effect through May 30, 2019. Western, along with other WestConnect participants (Participants), has participated in the WestConnect Pricing Experiment (Experiment) since its inception in June 2009. On June 28, 2013, the Federal Energy Regulatory Commission (FERC) issued an order (143 FERC ¶ 61,291) conditionally accepting the PA and regional tariffs. FERC ordered that the Participants in the filing submit separate compliance filings. Western has determined that no changes are necessary to Western's Open Access Transmission Tariff (Tariff) because Western will continue to offer this transmission service under the existing Tariff Schedule 8. For Western to implement the permanent arrangement, however, Western needs to adopt new formula rates. Publication of this Federal Register notice begins the formal process for the proposed formula rates.

DATES: The consultation and comment period will begin today and will end [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. Western

will accept written comments any time during the consultation and comment period. The proposed action constitutes a minor rate adjustment as defined by 10 CFR part 903. As such, Western has determined it is not necessary to hold a public information or public comment forum.

ADDRESSES: Send written comments to: Ms. Lynn C. Jeka, Colorado River Storage Project Manager, Colorado River Storage Project Management Center, 150 East Social Hall Avenue, Suite 300, Salt Lake City, UT 84111-1580, fax (801) 524-5017, or e-mail

WestConnect@wapa.gov. Western will post information about the rate process on its Web site at <http://www.wapa.gov/dsw/pwrmkt/WestConnect/Default.htm>. Western will post official comments received to its Web site after the close of the comment period. Western must receive comments by the end of the consultation and comment period to ensure they are considered in Western's decision process.

FOR FURTHER INFORMATION CONTACT: Mr. Thomas Hackett, Rates Team Lead, Colorado River Storage Project Management Center, 150 East Social Hall Avenue, Suite 300, Salt Lake City, UT 84111-1580, telephone (801) 524-5503, or e-mail hackett@wapa.gov.

SUPPLEMENTARY INFORMATION: WestConnect consists of a group of electric utilities currently providing transmission service in the Western Interconnection. Its members are a mixture of investor- and consumer-owned utilities and Western. The WestConnect membership encompasses an interconnected grid stretching from western Nebraska to southern California and from Wyoming to the United States-Mexico border. Western began participating in the Experiment in June 2009, which offered potential customers the option of scheduling a single transaction for hourly, non-firm, point-to-point transmission service over multiple transmission providers' systems at a single rate. The original term of the Experiment was 2 years and expired

on June 30, 2011. In 2011, WestConnect filed with FERC to extend the term of the Experiment for 2 additional years, until June 30, 2013.

To participate in the Experiment during its total 4-year term, Western had to convert its “all-hours,” non-firm, point-to-point transmission rates into on-peak and off-peak rates, similar to other Participants. Western’s FERC-approved Tariff transmission rate designs for all regions yield an “all-hours” transmission rate. Western’s transmission rates do not make a rate distinction between on-peak and off-peak, but rather spread the annual revenue requirements over all hours of the year. Western established these on-peak and off-peak rates using the authority granted to Western’s Administrator in Delegation Order No. 00-037.00A to set rates for short-term sales.

On April 16, 2013, WestConnect submitted to FERC an Amended and Restated PA that, in essence, offers the coordinated hourly, non-firm, point-to-point transmission service at a single rate on a permanent basis, effective July 1, 2013. On June 28, 2013, FERC issued an order conditionally accepting the PA and regional tariffs. In its order, FERC stated it was approving the proposal based on voluntary participation, and any customer that does not want to take service under the WestConnect Tariff provision may continue to take service under the Participant’s standard tariff provisions.

In order for Western to participate in the PA on a permanent basis, Western needs to establish permanent, hourly, non-firm, point-to-point transmission rates for on-peak and off-peak hours and the appropriate rate schedule for the WestConnect transmission product. Western is proposing a single rate schedule, effective June 1, 2014, through May 30, 2019, for all applicable Western Transmission Projects (TP): Colorado River Storage Project (CRSP), Loveland Area Projects (LAP), Pacific Northwest-Pacific Southwest Intertie Project (INT), Central Arizona

Project (CAP), and Parker-Davis Project (P-DP). Rate Schedule WC-8 will describe the formula and reference the individual TP's converted rates posted on the appropriate Web sites and Open Access Same Time Information System (OASIS).

Proposed Formula Rate Calculation:

Maximum on-peak, hourly, non-firm, point-to-point transmission rate:

$$\frac{\text{TP's non-firm, point-to-point, "all hours" transmission rate}}{47.49 \text{ percent (the percentage of FERC-defined on-peak hours)}}$$

Maximum off-peak, hourly, non-firm, point-to-point transmission rate:

$$\frac{\text{TP's non-firm, point-to-point, "all hours" transmission rate}}{52.51 \text{ percent (the percentage of FERC-defined off-peak hours)}}$$

Legal Authority

The proposed action constitutes a minor rate adjustment. Western has determined it is not necessary to hold a public information or a public comment forum for this proposed minor rate adjustment as defined by 10 CFR part 903. After a review of public comments, Western will take further action on the proposed rates consistent with 10 CFR part 903.

Western is proposing converted rates for non-firm transmission service rates for CRSP, LAP, INT, CAP, and P-DP under the Department of Energy Organization Act (42 U.S.C. 7152); the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s); and other acts that specifically apply to the projects involved.

By Delegation Order No. 00-037.00A, effective October 25, 20013, the Secretary of Energy delegated: (1) The authority to develop power and transmission rates to Western's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an

interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC. Existing Department of Energy (DOE) procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Availability of Information

All documents related to this action are available for inspection and copying at the following Western locations: Desert Southwest Regional Office, 615 South 43rd Avenue, Phoenix, Arizona; Rocky Mountain Regional Office, 5555 East Crossroads Boulevard, Loveland, Colorado; and Colorado River Storage Project Management Center, 150 East Social Hall Avenue, Suite 300, Salt Lake City, Utah. These documents are also available on Western's Web site at <http://www.wapa.gov/dsw/pwrmtk/WestConnect/Default.htm>.

RATEMAKING PROCEDURE REQUIREMENTS:

Environmental Compliance

In compliance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, et seq.), the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508), and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021), Western has determined this action is categorically excluded from preparing an environmental assessment or an environmental impact statement.

Determination Under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Dated: October 29, 2013.

Mark A. Gabriel,
Administrator.

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